

**DEPARTMENT OF JUSTICE**  
**SB 60: Amend Security Credit Freeze Law to Protect Minors, Incapacitated  
Persons, and Protected Persons**

**Background**

Identity theft is now the top-reported crime in the United States. Allowing consumers to voluntarily freeze their credit files is one of the most effective ways to prevent identity theft, because it virtually shuts off new credit to an individual. In 2007, the Montana State Legislature passed a security freeze law, which allows Montana consumers to proactively "lock up" their credit information so that no one can access it without their permission. However, language was inadvertently omitted which would allow a parent, guardian, or conservator to request a security freeze for a minor, an incapacitated person or a protected person under their care. SB 60 would address this legal loophole by allowing parents and guardians to request security freezes for their children or other dependents.

Children are at risk for identity theft: according to a recent survey, 7% of the identity theft complaints received by the Federal Trade Commission are from consumers 19 years of age or younger.<sup>1</sup> Because a child's credit status is not usually checked until the child is old enough to begin applying for jobs or college, fraud can go undetected for years.

Placing and lifting a security freeze is simple. One must make the request to place or lift the security freeze in writing to the three credit reporting agencies and in some cases pay a nominal fee to the companies.

**Provisions of SB 60**

The amended Montana security freeze legislation will:

- Clarify the term "consumer" for the purpose of obtaining a security freeze to mean *"a parent or guardian in the case of a minor or of an incapacitated person or a conservator in the case of a protected person."*
- Allow a consumer to request a security freeze in writing to the credit reporting agencies on behalf of the child, incapacitated person or protected person in their care.
- Other than this simple change, SB 60 would not change existing security freeze laws.

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<sup>1</sup> Federal Trade Commission, "Consumer Sentinel Network Data Book for January-December 2009". February, 2010.